

EDITORIAL

We are hot! You should be also. Many dealers have suggested that we tone down the critical message they perceive from reading our newsletter, especially in regard to the two major slab services whose coins they must sell. Let us say for the record that we are not against third-party grading services. We feel they have done a great deal for the average collector (see NL#2, December 1990). On the other hand, we hold nothing but contempt for those dealers who are numismatically ignorant and pity for ignorant investors and collectors. This publication seeks to educate - some need it more than others. We assure our readers that we will continue to bring them the best information we can. As long as some dealers continue to gripe or downplay this publication, we feel we are on the right track from the collector's point of interest. It is often those who think they know everything who are in for a big surprise. We'll relate some embarrassing experiences of our own in a future article.

If you have been told about this newsletter or received a copy from your coin dealer, kiss his feet! He is truly interested in your numismatic well-being and is not afraid to deal with a knowledgeable numismatist even though it can be "difficult" at times. We will list the dealers who subscribe to our publication in a later issue. We thank them for their support which helps us to send free sample copies to interested collectors.

We talked with Richard Feeney, before he resigned as Director of the Coin & Bullion Dealer Accreditation Program, about designing a competency test which dealers would need to pass for accreditation. Several groups are working on self-regulation for the coin industry. We feel that some form of dealer-competency test is still necessary, even for those who only deal in third-party material. This has been a safe haven for many dealers who sell "off-brand" slabs at the full Coin Dealer Newsletter (Greysheet) price often without the knowledge necessary to know what they are really selling. More on this later.

It's a small world! Last month, at the F.U.N. Show, we met Bruce Lorch. We both happened to be at the bourse table of A.N.A. President, Ken Halenbeck. Bruce commented that we "got the best of him" in our exchange of letters in Coin World. We replied that Bill Fivaz had written a much better rebuttal and assured Bruce that our intent was not "to get him". Ken agreed that numismatists can disagree, without being disagreeable to each other.

TOO HOT TO HANDLE

We would like to add a twist to an excellent article written by John Burns in the 10/16/90 issue of Numismatic News. Burns says that: "The problem we face today is not grading - it's pricing." How true! If we drop the word "today" from his sentence, we can sum up

a major problem with grading for the past twenty years. Many people, in any field of collecting, will seek the finest quality (and pay for it); but pricing effects all of us when it influences the grade that's assigned to a coin. Indeed, pricing and its relation to grading may be as big a problem as the lack of knowledge on the part of many collectors and dealers.

We can relate several experiences to illustrate "value grading" and its problems. Our introduction to "value grading" came twenty years ago when a group of numismatic authorities could not agree on the grade of a large cent. Their opinions ranged from VF to AU! Considerations of value complicated their grading of a Photograde perfect Extremely Fine coin (see Nov.1990 newsletter). Recently, while visiting a major grading service, we heard one of the graders complain that, while the technical grade of a coin was high, it was unattractive so worth much less money. The grader asked another grader in the lab to check the Greysheet price for the coin's technical grade and the next lower grade. The coin was passed around and all agreed to assign the lower grade to the coin based on what they felt it was worth in the commercial market! A PRICE GUIDE DOES NOT BELONG IN A GRADING LAB!

At the end of our testimony as an expert on coin grading, to help make his case, the prosecuting attorney asked if the authentication and grading laboratory we directed subscribed to the Greysheet or used it to evaluate our grading opinions. When our answer was "no", he realized we did not "value grade" coins and dropped that line of attack!

Grading MUST be kept separate from value in order to keep the grading system simple. Almost anyone can learn to grade coins. It's easy until we start to include quality of strike for the type, date, and Mint; value, rarity, and existing population already graded. Let's keep grading simple and leave value and pricing to those who have the experience from study or involvement in the market.

HEADS & TAILS (formerly: THE OTHER SIDE OF THE COIN)

A story Bruce Amspacher related in the 4/18/89 Viewpoint column of Numismatic News reveals some of the problems weakly struck coins pose to many collectors and dealers.

The article tells of a dealer who purchased an original roll of Brilliant Uncirculated 1940-S half dollars which were very weakly struck. "The coins had no head, no hand, no skirt line, no eagle's breast - nothing. The coins were frosty and Mint fresh, but they looked terrible. The dealer refused to advertise them as Brilliant Uncirculated and instead, offered the coins as XF/AU."

In our opinion, the dealer in the story is a real idiot. He is doing a disservice to Numismatics by adding to the confusion about coin grading while promoting a continuation of ignorance among his customers. Let's finish the story Mr. Amspacher relates to see why we feel this way.

A collector ordered one of the half dollars and wrote back to the dealer that it was the worst coin he had ever received from a mail order dealer! The collector who wrote that letter is also an idiot. Both the dealer and collector in this story will continue to bungle their way through the world of Numismatics, content but uneducated.

We would like to relate the story the way we feel it should have occurred. The dealer purchased a roll of extremely flat 1940-S halves with full, frosty Mint luster. He knows they are Mint State but also

realizes that they will only bring an XF/AU price so he advertises the coins with their technical grade: original BU 1940-S half dollars, full luster, with a very flat strike - weaker than usual. Astute collectors, seeing these coins offered at an XF/AU price, know they are going to receive an Uncirculated coin with full mint luster and the detail of a VF+/XF. Those who wish, may wait to purchase a full strike on an XF/AU coin (which should also have most of its luster) at the same price!

Now back to the idiot collector who thinks the dealer sold him a terrible coin. What has he learned from his experience? He owns a very flatly struck Uncirculated coin which he thinks is an over-graded VF because he looked in his grading guide and matched the coin's design detail with the VF photo. He also thinks the dealer is a crook and will never order from him again or will impinge his reputation. What are the dealers who practice value grading doing to educate collectors? Nothing!

Let's give the story a happy ending. The collector's friend, a true numismatist, takes a look at the beautiful 1940-S half dollar and explains Mint luster, strike, and coin values to him. He shows that the flatly struck coin tells a story of the minting process and is much more interesting than an average Uncirculated coin of the same date. Then he relates a story about the inexpensive, fully struck, 1940-S half dollar that "got away" from him years ago!

We went through a similar experience, long ago, while we were learning about coins. Now that we are more knowledgeable, we can look back and laugh at our ignorance at the time; but the experience has taught us to be skeptical of anything derogatory we hear about dealers or grading services unless it is supported by hard evidence.

During the late 1960's we were interested in varieties, overdates, and unusual coins. These coins could often be found for prices much lower than their value to a collector. A major source for these coins was one of the country's leading dealers. His sales catalogues were filled with the lore and history of numismatics, technical articles, and great pictures of rare varieties! The numismatists in the company made learning about coins interesting and fun.

We also used the catalogue as a retail price guide for rare and scarce coins since it was published more often than the redbook. When we could purchase a coin below its catalogue price, we considered it a wise purchase - without the hassle of mail order.

We had never ordered coins by mail before. The large variety of coins in every grade, plus the testimonial letters from hundreds of his satisfied clients, provided the temptation for us to order a coin - sight unseen! We sent for a choice BU 1913 type 1 buffalo nickel selling for under \$30. The coin was within our budget and we also wanted to "test" the dealer. Never mind that we had about one-tenth the knowledge that the dealer had in his little finger. You see, he had a table at the ANA National Convention before we had even heard of the word "numismatist".

While waiting for the order to be filled, we purchased a really nice type one nickel for about the same price from a local dealer. The coin was one nick on the cheek away from being perfect. In addition, the strike was so sharp that the coin resembled a proof! We didn't know about weak strikes or much of anything else about coins back then, so when the 1913 Type 1 nickel came in the mail, we were disappointed with its appearance. It didn't have the same amount of design detail of the nickel we bought sight seen!

Collector ignorance rears its ugly head. We returned the coin to the dealer. It was a mark free, average strike, full luster, type

one buffalo nickel. It was a beautiful example for its type until you compared it with a much rarer, razor sharp example. At the time, we thought the dealer had sent an XF/AU coin just as the idiot who bought the 1940-S half dollar in the beginning of this story!

You can imagine the trouble uneducated collectors give many knowledgeable, honest dealers on a regular basis. By chance, we had purchased a coin, which looked like a proof, far below its value grade; and by ignorance, we had rejected a fairly priced example!

MARKET NOTES

We just returned from the Florida United Numismatists Show in Orlando. We took note of two curious types of behavior on the part of several coin dealers. At least one of the market makers dealing in slabs was liquidating much of his inventory at the lower prices which prevail and taking a loss. Later, he will buy new inventory at the lower prices. We were able to purchase some PCGS MS-65 Morgan Dollars for \$135 to use in our grading seminars. One of the coins had an old price sticker of \$560 on it!! It seems that it's a good time to buy those coins you need - if you can find them. The other phenomenon we noted is that many dealers are reluctant to take their lumps in a down market. Most of them seemed to be smaller operations from less populated parts of the country. Many of their coins were priced at the higher pre-October levels and were not selling.

For those readers who are interested in currency or beautiful engravings, the proof notes from the American Banknote Company Sale are all over the market and many can be purchased near \$100!

As this issue goes to the printer, prices for coins are starting to go back up. Make some purchases now so you don't miss out.

BACK TO BASICS

One of the most interesting pursuits for us in the entire field of numismatics is the search for overdates, over-mintmarks, and other changes on the coinage dies either by accident or intent. We first became aware of these "variety" coins in articles written by Warren Olson which appeared in The Numismatic Scrapbook Magazine during the 1960's.

Selective changes to dies were often made to save the time and expense of preparing completely new ones. These changes consist of overdates, where an earlier dated die is punched with a new numeral to give it a later date (1858/7 cent); and over-mintmarks, where a different letter punch indicates that the die was to be used at another Mint (1900-O/CC \$1). We also find changes of style, position, and size of the same letters and numerals on coins.

One class of changes to dies borders on the humorous. These consist of misplaced, upside-down, and backward letters or figures. The engravers who made the changes to the dies occasionally had "bad" days or times of inattention on the job. Witness coins such as the 1865 three cent nickel with its date punched well down into the rim denticals or the 1961-D over horizontal D mintmark!

We group all these changes under the term "repunched" or "reengraved" dies but reengraved is often used to refer to changes

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A



B



C



D

in the design rather than the letters and numerals. It is also used to describe fraudulent changes to the design of already struck coins. Confusing isn't it? Perhaps a group of experts can convene to clarify numismatic terminology once and for all. Anyone listening?

Below we show photographs of a 1938-D/S nickel (figure 1) and a 1866 shield nickel with a multiple punched date (figure 2).



figure 1



figure 2

BETWEEN THE LINES

Presently, we know of three video programs dealing with the authentication and grading of United States coins. Two of the video programs were prepared with the aid of the ANA. They are available from the ANA Library, 818 North Cascade Ave, Colorado Springs, CO 80903. You may call (719) 632-2646 for information. The tapes may also be ordered from Educational Video, Inc. at 31800 Plymouth Road, Livonia, MI 48150. Their phone number is (313) 661-0161. Ask for Collecting & Grading U.S. Coins or Coins, Genuine, Counterfeit and Altered. The third program is an ANA Numismatic Theater presentation of a Coin Grading Mini-Seminar given by Mary Sauvain. This video is available thru the ANA or Advision, Inc. 3100 Arrowood Lane, Boulder, CO 80303. You may contact them at (303) 444-2320.

In this issue, we review the first two video programs which are professionally done and get a two thumbs up rating - highly recommended viewing for beginners to experts! Later, we will review the ANA Mini-Seminar which we do not recommend for viewing without the supervision of an expert numismatist. Stay tuned ...

Collecting & Grading U.S. Coins and Coins, Genuine, Counterfeit, and Altered each last approximately sixty minutes and each delivers

at least fifty-four minutes of pure, factual numismatic information! It is nit-picking to find faults with these two tapes (but that's what you are reading this newsletter for, right?). Remember, don't take our word as gospel; put this publication to the test also. Now, buy, beg, or borrow these tapes from the ANA and LEARN from them.

We recommend you view the authentication tape first. Why is this? Because after years and years of teaching authentication and grading we have found there is a CORRECT way and all the other ways to teach these subjects. You must lay a firm foundation of basic numismatics upon which specialized pursuits such as authentication or error collecting can build. Sadly, this foundation is lacking from the background experience of many who sell coins, especially slabs. The authentication tape begins with the basics. It covers how coins are made and what genuine coins should look like. Many of the characteristics shown are helpful for grading! If you learn what causes "U.S. Mint quality" surfaces on "original" coins, you will be a better coin grader. You'll be able to tell the difference between marks on a coin which happened before or after striking.

Based on our experience, Coins, Genuine, Counterfeit and Altered has more "bloopers" than the other video about collecting and grading. We have a few disagreements with its content which seem to be more a matter of degree than outright differences. You be the judge. Numbers at the left are approximate running time locations (when noted) to help you find the areas covered in this article.

=8:05 The statement is made that all genuine U.S. Coins will have consistent, uniform edges, whether plain, lettered or reeded. This statement is too simplistic and actually even depends on the magnification and lighting used to view the edge. While coins will appear to have uniform edges when viewed using the naked eye or even the 7X - 10X hand lens recommended in the video for initial examination, most genuine coin edges are not uniform. When using a stereomicroscope in the 7X - 10X range, you will find that consistently uniform edges are more often found on counterfeit coins with reeded or flat (no cast seam) edges. Smaller coins like gold dollars and quarter eagles often have one part of their edge reeding one size and other parts another! Lettered edges provide a toss-up. Consistency is slightly more favored on genuine coins.

= Depressions appear on counterfeit and genuine coins. The video does not make this clear enough or go into detail about how to tell the difference in the "look" between depressions on counterfeits and those on genuine coins. We suspect this is beyond the scope of the video so we will cover this in a future BACK TO BASICS.

= Scratches from whizzing are NOT random as the narrator says. The scratches, which are one of the characteristics used to indicate whizzing, are usually curved, very closely spaced, and generally have a pattern to their direction.

=11:08 The narrator calls the repunched S/S mintmark an altered die (...see the note about this on page #7 of our January newsletter). It is better to call this a repunched die - both to agree with the terminology used earlier in the video for

this type of change on a die and to avoid confusion with fake coins. In this specific case, we can say the coin has a repunched mintmark. See BACK TO BASICS in this issue also.

- = Finally, most people cannot determine the authenticity of a coin with a hand lens! Indeed, since the early 1980's, we have been preaching that: "The day of the hand lens is over for counterfeit detection". While many experienced numismatists often have a "sixth sense" or "gut feeling" about a coin's authenticity, even authentication experts will have difficulty with "well made" counterfeits, except in cases when diagnostics of the counterfeit are already known to them.

Collecting & Grading U.S. Coins is the second video we review. At the end of the tape, credit is given to the ANA's experts who helped prepare the program. They did an excellent job and deserve the credit! In this video, even VF-20 coins have traces of mint luster (they should). This is a "quality" production - send for it.

- =7:35 Magnification and lighting will be covered in our Newsletter and also in our Grading Correspondence Course which starts this March (write: IAN P.O. Box 65494, Washington, DC 20035 for details). We feel there is much more to this subject than is covered in this video and strongly disagree with the lighting recommended. A key statement made in this video is the same coin can have a different appearance depending on the magnification & lighting used to view it. That folks is the beginning, middle, and end to many of the problems in numismatics. If you don't see something on a coin, it might as well not be there; yet what you don't see can also really hurt you badly - in the wallet!

- =25:00 There is really only one "bloop" in this tape. At the start of the section on grading Morgan Dollars, the host talks about two important factors which effect the value of a coin but are not a part of the grade: (1) quality of strike and (2) quality of the coin's surface. Next, the narrator tells how contact marks and blemishes on the coin (quality of the surface) lower its grade. This is a contradiction in the video since the quality of a coin's surface effects its grade and its value. In fact, it is one of the major factors used to grade Uncirculated coins.

MICROSCOPICALLY SPEAKING

We are not going to publish a picture of this variety since a beautiful photograph just appeared on page 20 of the January 15, 1991 issue of Numismatic News! The variety is unattributed in the paper and the photo is used to illustrate the beauty of the Flying Eagle cent. We have known of this variety for many years and called it the 1857 type of 1858/7.

The coin has a broken wing tip between OF AMERICA in the legend. This diagnostic is also used to identify the 1858/7 variety of Flying Eagle cent. This year at the F.U.N. Show, Bill Fivaz asked if we knew of this variety, so even though the coin is unlisted at this time, Bill and other numismatic scholars also have known of

its existence for some time. We feel sure it will be listed in the update version of The Cherrypicker's Guide to Rare Die Varieties by Fivaz and J.T. Stanton. The coin will probably be listed as an 1857 "broken wing tip" which makes more sense than the nomenclature which we originally gave it. We highly recommend this book for those of you who have patience and enjoy the thrill of the hunt. It contains the type of information which was seldom available to new collectors in the past.

We've been looking for Uncirculated specimens of this coin to match dies with the 1858/7. That would prove that the obverse die used for the 1857 "broken wing tip" coin was repunched with the numeral 8 over the 7 resulting in a new coin dated 1858 (and a new collectable variety over a hundred years later). Find an example now - before it is listed and the price goes up. Happy Hunting.

BOOS AND GEMS

* BOO: Ignorance is bliss! We attended the FUN Convention this year specifically to sign up collectors who wished to receive complementary copies of this newsletter. Unfortunately, we did not follow correct procedures and were told to stop talking with fellow collectors outside the bourse. Then an angel in the person of Ginger Bryan helped by suggesting we join FUN as a member club so that next year we will be able to give out free samples of our newsletter and have a room for a seminar at the convention. The Fun show has a very fine educational program available to collectors attending the show and we look forward to adding to it next year.

COMING UP

The BIG news for the March issue is that the first lesson of our Coin Grading Correspondence Course will be mailed out in the Newsletter to those readers who have signed-up. We only have about two dozen more openings left in the first group. The course is based on actual grading seminars which we have given around the country.

We still have to write about magnification and lighting as well as technical & commercial grading. Also don't forget the Mini-Seminar review. We need to send Mary Sauvain a rough draft of our critique so that together we can find answers to some of the confusion in the video.

The winner in the "Name This Newsletter" contest is Dean Hanson. Dean picked the name: INSIGHT ON COINAGE because "insight" is the ability to see and understand the nature of a subject clearly. As thanks for the other good suggestions, those who entered will receive this issue free. Others should subscribe now so they don't miss an issue.

Wait until you see the special surprise in our April issue.

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